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3 December 1958

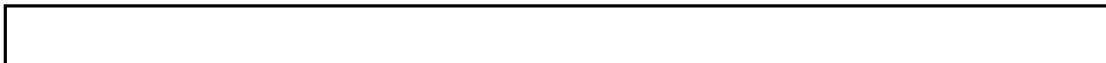
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CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. _____
NO CHANGE IN CLASS. *X*
DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 2010
AUTH: HD 702
DATE: 4480 REVIEWER: [Redacted] 25X1

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State Dept. review completed

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Approved For Release 2002/09/04 : CIA-RDP79T00975A004200010001-3

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CENTRAL INTELLIGENCE BULLETIN

3 December 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR-Berlin: Khrushchev is scheduled to meet soon with Polish and East German leaders to discuss further tactics on Berlin. A Czech broadcast says Khrushchev, Gomulka, Cyrankiewicz, and Ulbricht will "coordinate a political and diplomatic initiative for the solution of the Berlin problem and for relaxation in central Europe."

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USSR--Geneva talks: Soviet-bloc delegates in both Geneva conferences have introduced "declarations" summarizing bloc proposals and criticizing Western positions. These declarations, apparently designed for early publication, represent further efforts to place the bloc in the strongest possible position prior to proposals to end the talks or raise them to a higher level. The USSR's ostensible concession in agreeing to include "basic provisions" on controls in a treaty on ending nuclear tests does not alter its basic position that the West must agree to a permanent and unconditional cessation of testing before the details of a control system can be discussed.

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Sudan.¹ Recent decisions by the Abboud regime in foreign and domestic affairs reflect his independence from the influence of old-line politicians. The regime has accepted the American aid program; recognized Communist China; stated its intention to abide by the "neutralist" Bandung principles; and is considering a long-standing Soviet offer of assistance. The government has moved to curb pro-Communist and pro-UAR publications.

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III. THE WEST

France-Algeria: De Gaulle's maneuverability on Algeria may be severely circumscribed by the election of over 400 parliamentary deputies--out of a total of 546--who generally favor integration with France. With his prestige at a new high and his power to govern by decree extending for some time, he may, however, try to move rapidly toward a comparatively liberal solution. He may announce the long-rumored replacement

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of Generals Salan and Massu and the re-establishment of civilian administration during his scheduled 3 - 7 December visit to Algeria.

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France-NATO: France's footdragging on key NATO military programs is apparently motivated by a determination to impress the United States and Britain with the seriousness of De Gaulle's proposals for tripartite global policy coordination. Growing French nationalism, as shown in the 30 November election results, will encourage De Gaulle to persist in this attitude even at the risk of further delay in NATO military projects and of political tension within the alliance.

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Bolivia: President Siles says that the USSR has offered large-scale assistance to Bolivia's national oil company. Foreign Minister Andrade, referring to a Rumanian UN proposal on oil development, has said that Bolivian public opinion is highly vulnerable to Soviet-bloc maneuvers because of the national oil company's failure to obtain loans from free-world sources.

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Uruguay: The National party defeated the Colorado party in the 30 November elections on the basis of protest votes, largely on economic issues, rather than on a positive platform. After 93 years of Colorado party rule, considerable transitional confusion is likely, but Uruguay's foreign policy probably will not be basically altered.

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I. THE COMMUNIST BLOC

Conference May Be Held in Warsaw to Discuss Berlin Problem

Khrushchev, Ulbricht, Gomulka, and Cyrankiewicz are to meet soon in Poland, according to a Czechoslovak station broadcasting to Italian Communists, to "coordinate a political and diplomatic initiative for the solution of the Berlin problem and for a relaxation of tension in central Europe." Khrushchev said on 10 November that he would soon return the visit of Polish leaders to the USSR, and an East German delegation headed by party boss Ulbricht is scheduled to visit Poland later this month.

While Polish leaders have publicly supported Khrushchev's proposals on Berlin, many Poles are reported uneasy. Khrushchev may consider it necessary to reassure Poland that any changes in Berlin's status will not have an adverse effect on Poland's western borders.

The conference probably will again call for a settlement of the German problem through the creation of a confederation of the two German states, as recently suggested by East Germany. Moscow has said that it would be better to reach an over-all settlement on Germany rather than just the Berlin aspect, but that this is impossible so long as the West insists on free all-German elections.

The Communist governments may take this opportunity to reaffirm previous bloc proposals to reduce tensions in Europe, such as the Rapacki Plan, and a nonaggression pact between the Warsaw Pact countries and NATO.

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Bloc Delegates at Geneva Issue Declarations
On Basic Proposals

Soviet bloc delegates in both Geneva conferences have introduced formal "declarations" which apparently are designed for early publication and may foreshadow Soviet initiatives to end the talks or raise them to the foreign-minister level.

On 29 November, the Soviet delegate to the nuclear test talks introduced a declaration which stressed the "merits" of the Soviet position and accused the West of evading an agreement by insisting on detailed discussion of a control system. After listing four major points in the Western position which "cast doubt on the successful completion" of the talks, the Soviet declaration stated that the USSR would not object to the inclusion of "basic provisions on control" in a treaty on the cessation of tests. This ostensible concession was intended to remove a weak point in the Soviet position--the vague relationship between the Soviet-proposed treaty and a protocol on controls. This latest proposal, however, does not alter the basic Soviet position that the drafting of a treaty, with only the briefest reference to controls, must be completed before provisions for a control system can be discussed.

In the conference on surprise attack, the Soviet delegate introduced a declaration on 28 November which spelled out bloc proposals linking "concrete measures" to reduce the danger of surprise attack with specific disarmament measures. The declaration repeated, with minor variations, long-standing Soviet proposals for ground control posts and aerial photography. These inspection measures, according to the declaration, would be valueless unless accompanied by "concrete" disarmament measures which would include reduction by one third of foreign forces in Europe and a ban on nuclear weapons and missiles in both parts of Germany.
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II. ASIA-AFRICA

Sudanese Situation

Domestic and foreign policy decisions of the Sudan's new military regime under General Ibrahim Abboud reflect independence from the influence of old-line politicians and suggest the possible emergence of Abboud as a genuine "strong man." There is no indication of any organized opposition to the regime, although former Prime Minister Khalil and his Umma party are reported to be disturbed by Abboud's ignoring their advice. There may also be a group of disgruntled junior army officers.

Abboud's cabinet has accepted the controversial American aid program and is likely to seek additional US assistance. A Soviet offer of assistance is also under consideration. On 29 November Foreign Minister Ahmad Khayr proclaimed the government's intention to abide by the neutralist "principles of Bandung." At the same time, he announced its recognition of Communist China, a subject of contention between conservative and radical elements in the now-dissolved Parliament. On 1 December Communist China responded favorably, announcing its decision to establish diplomatic relations.

On the major problem of the division of the Nile waters, Abboud is quoted as saying that negotiations will be conducted between the Sudan and the UAR--excluding the United Kingdom. Abboud has indicated, however, he will accept the British arms gift proffered to the previous government.

The regime is maintaining close surveillance over press and political activities. It has closed the pro-Communist newspaper Al Midan and confiscated copies of the radical Cairo weekly Rose al-Yussif. On 29 November it arrested a number of leaders of Communist-front and labor organizations.

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III. THE WEST

De Gaulle's Algerian Policy Complicated by French Election Results

The election on 30 November of some 400 French deputies who generally favor integration of Algeria with France may have severely circumscribed De Gaulle's ability to solve the crucial Algerian problem, according to the American Embassy in Paris. The embassy considers that the result is a strong popular mandate for integration, and that the critical point is the extent to which De Gaulle will feel he can disregard it.

There are indications that De Gaulle still intends to try to move rapidly toward a liberal solution. He retains power to rule by decree for some weeks, and the embassy doubts that Parliament, even if it were in session during this period, would or could block implementation of a given policy determined by De Gaulle.

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French Delaying NATO Programs

French noncooperation on several key NATO military projects is admittedly motivated by a spirit of nationalism and by a determination to win acceptance of Premier de Gaulle's recent proposals that the Western Big Three coordinate their global policy and strategy. French staff officers at SHAPE have intimated to Norstad that it would be "useful" for him to see De Gaulle personally and he has requested an appointment before the NAC ministerial meeting scheduled later this month.

France has lodged a reservation concerning plans for integrated NATO air defense, has refused approval of new projects required to implement the NATO new-weapons and atomic-stockpile program, and is holding up implementation of the [Redacted] communications system. It has also long insisted on a special relationship with the US--equivalent to the US-UK arrangements--concerning joint control of IRBM's and of any NATO nuclear weapons stockpiled in France.

French public opinion has allegedly been a major factor underlying De Gaulle's decision to request tripartite policy coordination. The American Embassy in Paris believes the impressive showing of the nationalistic New Republic Union party in the parliamentary elections will assure parliamentary support for the premier's efforts to enhance France's international prestige. De Gaulle is therefore likely to persist in obstructionism in NATO, despite the resulting political tension within the alliance. [Redacted]

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Bolivia May Be Receptive to Soviet-bloc Gestures on Petroleum Financing

Bolivian President Siles informed the American Embassy on 30 November that the Soviet Embassy in Argentina had offered large-scale assistance to YPFB, Bolivia's national oil company. Foreign Minister Andrade stated on 29 November that Bolivian public opinion was highly receptive to such proposals as the one made by Albania and Rumania in the UN for international cooperation in developing of the oil industry in underdeveloped countries. Andrade referred particularly to the failure of YPFB to obtain loans from private and public sources in the free world.

Ambassador Bonsal comments that certain elements in the Bolivian situation favor Soviet-bloc efforts: 1) the gross value of mineral exports has decreased almost 70 percent in the past two years; 2) serious cuts in employment are in prospect; and 3) exploration by private foreign companies apparently has not produced results.

All Bolivia's oil production comes from YPFB, which has made Bolivia a net exporter of petroleum in the past several years despite its small daily production, now running at about 10,000 barrels. YPFB's general manager believes, on the basis of available information concerning promising geological structures, that the company's present production could be increased to 35,000 barrels per day in three years by an investment of \$100,000,000. [redacted]

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Uruguayan Elections

The victory of the conservative National party in Uruguay's 30 November elections, after almost a century of supremacy by the liberal Colorado party, stems mainly from widespread disillusionment over economic conditions. The Socialists and Communists made only small gains; the Communists polled some 3 percent of the vote.

Within the National party, the faction led by 86-year-old Alberto Herrera has a clear lead in the nearly complete returns over the generally respected leaders of the Blanco Democratic Union (UBD) faction and will control the nine-man executive council which heads the government. Two referendums to change from the council system to a single president failed.

A difficult transition period is in prospect since the National party has no specific program and little experience in governing. The American Embassy in Montevideo comments that the Herrera faction tends to be more demagogic and has fewer leaders of proven ability than the UBD.

Martin Etchegoyen is expected to be the first president of the governing council. He is regarded as a front man for Herrera, who is sometimes unfriendly to the United States. However, Uruguay's foreign policy probably will not be basically altered.

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The Under Secretary of State

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Director of Naval Intelligence, Department of the Navy

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Atomic Energy Commission

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